

Company Registration No. 03867903 (England and Wales)

Infoserve Limited

**Financial statements
for the year ended 31 March 2019**

Pages for filing with the Registrar

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Infoserve Limited

Statement of financial position
As at 31 March 2019

		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	3	439,958		440,640	
Tangible assets	4	34,611		50,177	
		<u>474,569</u>		<u>490,817</u>	
Current assets					
Debtors	6	143,009		205,524	
Cash at bank and in hand		232,917		205,379	
		<u>375,926</u>		<u>410,903</u>	
Creditors: amounts falling due within one year	7	(6,472,511)		(6,821,881)	
Net current liabilities		<u>(6,096,585)</u>		<u>(6,410,978)</u>	
Total assets less current liabilities		<u>(5,622,016)</u>		<u>(5,920,161)</u>	
Creditors: amounts falling due after more than one year	8	(908,850)		(910,517)	
Provisions for liabilities	9	(167,535)		(242,391)	
Net liabilities		<u>(6,698,401)</u>		<u>(7,073,069)</u>	
Capital and reserves					
Called up share capital	10	286,000		286,000	
Other reserves		1,281,031		1,281,031	
Profit and loss reserves		(8,265,432)		(8,640,100)	
Total equity		<u>(6,698,401)</u>		<u>(7,073,069)</u>	

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

Infoserve Limited

Statement of financial position (continued)

As at 31 March 2019

The financial statements were approved by the board of directors and authorised for issue on 20/9/19 and are signed on its behalf by:



Mr D I J Oliver

Director

Company Registration No. 03867903

1 Accounting policies

Company information

Infoserve Limited is a private company limited by shares incorporated in England and Wales. The registered office is South Side Aviation, Leeds Bradford International Airport, Leeds, West Yorkshire, LS19 7UG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2019 are the first financial statements of Infoserve Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (previously prepared in accordance with IFRS). The date of transition to FRS 102 was 1 April 2017. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 16.

1.2 Going concern

At the time of approving the financial statements, notwithstanding the net current liabilities and net liabilities position, the directors have a reasonable expectation that the company has adequate resources and continued financial support from key shareholder Mr David Hood to continue in operational existence for the foreseeable future.

Financing and borrowings of the company is in the form of intercompany loans and loans from Mr David Hood, a majority shareholder and director of the company. No further loans have been provided in the current or comparative year. The Company has continued to meet its working capital requirements through its current account.

The directors have prepared and reviewed forecasts which show the company is continuing to remain profitable. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Notes to the financial statements (continued)

For the year ended 31 March 2019

1 Accounting policies (continued)

1.3 Turnover

Revenue represents the amounts derived from the provision of services during the year stated net of Value Added Tax. Revenue is recognised on a gross bases, this requires revenue to comprise the gross value of the transaction billed to the customer, after trade discounts, with any related expenditure charged as an operating cost.

Within the 'suite' of web based advertising products, the Company offers customers both one off advertising products and longer term advertising, whilst often sold in combination, these products require different accounting treatments.

Revenue includes income related to term advertising that is invoiced in advance at the inception of the agreement. It is the Company's policy to recognise the revenue evenly over the agreed term, Revenue generated from the construction of websites is recognised once the work has been completed.

Where products are sold in bundles, the revenue is allocated according to the relative internal list price less and allocation of any discounts given from the list prices.

1.4 Intangible fixed assets other than goodwill

Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Company intends, has the technical ability and has sufficient resources to complete development and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Capitalised development expenditure is stated as cost less accumulated amortisation and impairment losses.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful life of the intangible asset. Other intangible assets are amortised from the date they are available for use. Intangible assets are systematically tested for impairment at the balance sheet date. The estimated useful lives are as follows:

Data costs	Indefinite life - continually updated and reviewed annually
Data software	3 years
Data refreshes	1 year

Notes to the financial statements (continued)

For the year ended 31 March 2019

1 Accounting policies (continued)

The company's main source of income is via outbound telesales to small and medium sized entities ("SMEs"). As such, owning and updating, as complete as possible, the Company's data set of UK businesses, with associated intelligence on that business, is critical to our performance. The company's data asset is made up of initial purchases (core data) and ongoing maintenance of this data.

'Core data' includes the initial external costs including raw data, database structure developments, taxonomy enhancements and keyword associations, the initial expenditure and development of business records, associated database structure, extensive keyword and key phrase associations occurred has a net book value of £439,958 as at 31 March 2019 (2018: £439, 958).

This data is kept up to date monthly. The total costs of the data provider in providing this maintenance is capitalised and fully amortised in the same financial year. This cost is to enable our core data to be kept as up to date as possible. Data and associated taxonomy is a fundamental ingredient to both the supply and sale of the Company's online business directories. As such, the Company expected to use this asset for as long as it continues in its core business.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	over the life of the leasehold
Fixtures and fittings	20% straight line
Computers	33.3% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

Notes to the financial statements (continued)
For the year ended 31 March 2019

1 Accounting policies (continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

1 Accounting policies (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Notes to the financial statements (continued)

For the year ended 31 March 2019

1 Accounting policies (continued)

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 66 (2018 - 85).

3 Intangible fixed assets

	Website	Data costs	Data software	Total
	£	£	£	£
Cost				
At 1 April 2018	1,141,153	1,155,927	126,714	2,423,794
Additions	-	32,500	-	32,500
At 31 March 2019	1,141,153	1,188,427	126,714	2,456,294
Amortisation and impairment				
At 1 April 2018	1,141,153	715,969	126,032	1,983,154
Amortisation charged for the year	-	32,500	682	33,182
At 31 March 2019	1,141,153	748,469	126,714	2,016,336
Carrying amount				
At 31 March 2019	-	439,958	-	439,958
At 31 March 2018	-	439,958	682	440,640

Notes to the financial statements (continued)

For the year ended 31 March 2019

3 Intangible fixed assets (continued)

Included within intangible fixed assets are customer data costs with a carrying amount of £439,958 (2018: £439,958) which are considered to have an indefinite useful economic life. The value of this cash generating unit is reviewed annually.

The recoverable amount of the customer data costs is determined from value in use calculations. The key assumptions are those regarding discount and growth rates. Growth rates incorporate anticipated volume and direct cost changes. Management used pre-tax discount factors of 15% (2018: 15%) over the forecast period of 2 years.

At the beginning and the end of the period the value in use of the intangible assets exceeded their book value and therefore no impairment was required.

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2018	157,359	696,305	853,664
Additions	-	3,101	3,101
At 31 March 2019	157,359	699,406	856,765
Depreciation and impairment			
At 1 April 2018	123,653	679,834	803,487
Depreciation charged in the year	8,424	10,243	18,667
At 31 March 2019	132,077	690,077	822,154
Carrying amount			
At 31 March 2019	25,282	9,329	34,611
At 31 March 2018	33,706	16,471	50,177

Notes to the financial statements (continued)
For the year ended 31 March 2019

5 Fixed asset investments

	2019 £	2018 £
Investments	-	-
Movements in fixed asset investments		
		Investments other than loans £
Cost or valuation		
At 1 April 2018 & 31 March 2019		106,500
Impairment		
At 1 April 2018 & 31 March 2019		106,500
Carrying amount		
At 31 March 2019		-
At 31 March 2018		-

On 29 April 2014 Infoserve Limited acquired 150 shares for £75,000 in LN Communications Limited (now Boundless Networks Limited) and on 4 December 2014 acquired a further 300 shares for £22,500. In September 2015 a further 1,800 shares were acquired for £9,000 to maintain the company's 15% investment.

An impairment review was conducted by the directors in 2018. The investment was not considered to have any value and was impaired in full at this time.

6 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	15,001	33,675
Other debtors	128,008	171,849
	143,009	205,524

Notes to the financial statements (continued)

For the year ended 31 March 2019

7 Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to parent undertaking	4,765,507	4,765,507
Trade creditors	248,190	243,324
Taxation and social security	243,948	292,206
Deferred income	987,312	1,265,864
Other creditors	33,701	39,109
Accruals and deferred income	193,853	215,871
	<u>6,472,511</u>	<u>6,821,881</u>

8 Creditors: amounts falling due after more than one year

	2019 £	2018 restated £
	Note	
Director loans	16	905,519
Deferred income		3,331
		<u>908,850</u>
		<u>910,517</u>

9 Provisions for liabilities

	2019 £	2018 £
Onerous lease provision	167,535	242,391
	<u>167,535</u>	<u>242,391</u>

Movements on provisions:

	Onerous lease provision £
At 1 April 2018	242,391
Reversal of provision	(74,856)
At 31 March 2019	<u>167,535</u>

Notes to the financial statements (continued)

For the year ended 31 March 2019

9 Provisions for liabilities (continued)

The onerous lease provision is the estimated liability based on committed lease payments for its office space in Darlington which includes a vacant floor unlikely to sub-let.

10 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
28,600,000 Ordinary shares of 1p each	286,000	286,000

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Jonathan Davis.

The auditor was Saffery Champness LLP.

12 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2019	2018
£	£
332,711	532,711

Notes to the financial statements (continued)
For the year ended 31 March 2019

13 Related party transactions

Included within other creditors at the year end are amounts due to David Hood, a Director of the company, of £905,519 (2018: £905,519 (restated)). David Hood has waived his rights to repayment and interest in the year. It is expected that this will continue for a least 12 months from the signing of the financial statements.

The company made sales to Multiflight Limited, a company under common control, of £43,328 (2018: £43,328). Purchases were also made of £54,069 (2018: £54,167). The balance owing to Multiflight Limited at the year end was £38 (2018: £6,492).

The company made sales to Boundless Networks Limited, a company under common control, of £1,872 (2018: £5,285). Purchases were also made of £1,080 (2018: £3,108). The balance due to Infoserve Limited at the year end was £780 (2018: £nil).

14 Parent company

The immediate parent of the company is Infoserve Group PLC, incorporated in England and Wales.

15 Post balance sheet events

There are no significant post balance sheet events.

16 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under IFRS are given below.

Reconciliation of equity

		1 April 2017	31 March 2018
	Notes	£	£
Equity as reported under IFRS		(7,077,721)	(7,004,184)
Adjustments arising from transition to FRS 102:			
Reversal of cumulative fair value adjustments	1	-	(68,885)
Equity reported under FRS 102		<u>(7,077,721)</u>	<u>(7,073,069)</u>

Notes to the financial statements (continued)
For the year ended 31 March 2019

16 Reconciliations on adoption of FRS 102 (continued)

Reconciliation of loss for the financial period

		2018 £
Loss as reported under IFRS		(274,463)
Reversal of cumulative fair value adjustments	1	-
Loss reported under FRS 102		<u>(274,463)</u>

Notes to reconciliations on adoption of FRS 102

1 Reversal of fair value adjustment

The shareholder loan has previously been recorded under IFRS9. On transition to FRS102, the loan has now been recorded at cost. As such, historic fair value adjustments have been reversed.